John C. Hellmann
President and Chief Executive Officer

August 23, 2013

The Honorable Daniel R. Elliott, III
Chairman, Surface Transportation Board
395 E Street, SW, Suite 1220
Washington, DC 20423-0001

Dear Chairman Elliott:

This letter is in response to the Board's August 1st request for input from Genesee & Wyoming Inc. (GWI) on our outlook and service plans for the remainder of 2013. Consistent with past years, GWI does not anticipate any service problems related to peak season traffic volumes at any of our 101 U.S. short line railroads, which now include an additional 42 railroads operated by GWI as a result of the acquisition of RailAmerica Inc. Collectively, GWI's railroads are lower density lines, and with limited exceptions our existing train service plans have excess capacity to support seasonal and unexpected volume increases. Where necessary, train service plans in our Central and Midwest regions are being modified in anticipation of the upcoming grain harvest. GWI's combined company (GWI and legacy RailAmerica railroads) carload volumes are still below pre-recession levels, and we have capacity to handle both seasonal and long-term traffic growth across all of our short line railroads.

None of our railroads expect any issues related to an increase in either domestic or international intermodal traffic. With respect to the Board's general inquiry regarding resources to meet any increases in volume, including a discussion of freight car, locomotive and labor (train crew) availability, I offer the following observations:

- GWI's railroads expect to have sufficient railcars to accommodate unexpected increases in rail volumes. However, in our Ohio Valley and Mountain West Regions, we are experiencing less availability of tank cars as a result of the increase in crude oil and other petroleum products shipments. Across several regions, we also anticipate that the private grain car fleet will be in high demand during the upcoming harvest and we are adjusting our planning accordingly, but we rely heavily on the use of Class I grain car fleets.

- Approximately 5% of our U.S. locomotive fleet remains in storage. However, across GWI's railroads we have also invested in excess of $25 million during 2013 to optimize and upgrade our locomotive fleet.

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- GWI's railroads expect to hire additional transportation employees throughout the remainder of 2013, with the most pronounced needs in the Midwest, Central, Ohio Valley and Pacific regions, largely as a result of increased crude oil and grain shipments and an increase in finished auto traffic in our Ohio Valley and Pacific regions.

Our Ohio Valley region has experienced the most significant growth in demand for movement of petroleum products and drilling related products. To support the Utica Shale oil/gas traffic, the Ohio Valley region has made significant investments in sidings and recruiting and training, largely in conjunction with the start up of a new natural gas liquids fractionation facility in Scio, Ohio. GWI's Southern region also invested in two new sidings to support Genesis Energy's crude-by-rail facility in Walnut Hill, Florida.

Investments in overall freight service and capacity improvements also continued during 2013, with a focus on upgrading track and installing sidings to handle unit trains, upgrading bridges and increasing tunnel clearances. GWI expects to spend approximately $260 million (inclusive of government grants) in capital expenditures in 2013, of which approximately 80% relates to track and bridge improvements. With the exception of discrete investments in sidings and storage to support new oil and gas business in 2013, GWI's capital investments are not targeted at new track capacity but at upgrading existing rail, ties and bridges. These upgrades allow us to handle higher tonnages and operate at higher speeds and ultimately allow us to more efficiently move freight over our rail lines. Please note that our ability to invest at this high level is directly related to the extension of the short line tax credit, and a long term extension of this tax credit is a critical priority for GWI and the short line railroad industry as we remain focused on continued investment in our U.S. rail network.

GWI's railroads have the capacity to safely handle additional traffic over our rail lines and would welcome the new business, whether from a traffic surge in the fall season or on a sustained basis from additional economic growth. Please do not hesitate to contact me if you have any questions. Thank you for the opportunity to comment on GWI's U.S. operations and for the Board's interest in the role that short lines play in the U.S. rail network.

Sincerely,

John C. Hellmann

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Cc: Mr. Richard F. Timmons